
HOUSE BILL No. 1470

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10.3-7-5; IC 21-6.1-4-6.1.

Synopsis: PERF and TRF military service credit. Provides that members of the public employees' retirement fund (PERF) or the Indiana state teachers' retirement fund (TRF) who serve on active duty in the armed services of the United States for at least six months are entitled to service credit for the time served on active duty, to the extent that service credit is not granted for that time under existing PERF or TRF provisions concerning military service credit. Provides that the maximum amount of service credit that may be granted under this provision is two years. Requires a member to have at least 10 years of creditable service in PERF or TRF before the member may claim the military service credit.

Effective: July 1, 2001.

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January 11, 2001, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE BILL No. 1470

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 5-10.3-7-5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5. (a) A member who:
3 (1) enters the United States armed services;
4 (2) leaves his contributions in the fund;
5 (3) except as provided in subsection (c), resumes service with his
6 employer within one hundred twenty (120) days after his
7 unconditional discharge; and
8 (4) would be entitled to service credit for military service under
9 the Uniformed Services Employment and Reemployment Rights
10 Act (38 U.S.C. 4301 et seq.) if the member had resumed service
11 with the member's employer within ninety (90) days after
12 discharge;
13 is entitled to service credit for the armed service.
14 (b) A state employee who left employment before January 1, 1946,
15 or an employee of a political subdivision who left employment before
16 the participation date, to enter the United States armed services is
17 entitled to service credit for the armed service if he:

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(1) except as provided in subsection (c), resumes service with the employer within one hundred twenty (120) days after his unconditional discharge; and

(2) would be entitled to service credit for military service under the applicable requirements of federal law in effect at the time of reemployment if the employee had resumed service with the employee's employer within ninety (90) days after discharge.

(c) The board shall extend the one hundred twenty (120) day reemployment requirement contained in subsection (a)(3) or (b)(1) if the board determines that an illness, an injury, or a disability related to the member's military service prevented the member from resuming employment within one hundred twenty (120) days after the member's discharge from military service. However, the board may not extend the deadline beyond thirty (30) months after the member's discharge.

(d) If a member retires and the board subsequently determines that the member is entitled to additional service credit due to the extension of a deadline under subsection (c), the board shall recompute the member's benefit. However, the additional service credit may be used only in the computation of benefits to be paid after the date of the board's determination, and the member is not entitled to a recomputation of benefits received before the date of the board's determination.

(e) Notwithstanding any provision of this section, a member is entitled to service credit and benefits in the amount and to the extent required by the Uniformed Services Employment and Reemployment Rights Act (38 U.S.C. 4301 et seq.).

(f) Notwithstanding any other provision of this section, a member who:

(1) serves on active duty in the armed services of the United States for at least six (6) months; and

(2) receives an honorable discharge from the armed services; is entitled to service credit for the time served on active duty in the armed services. However, a member is entitled to service credit under this subsection only to the extent that service credit is not granted for that time under another provision of this section. The maximum amount of service credit that may be granted to a member under this subsection is two (2) years. A member must have at least ten (10) years of creditable service in the fund before the member may claim service credit under this subsection.

SECTION 2. IC 21-6.1-4-6.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 6.1. (a) This subsection applies to members who retire before July 1, 1980. A member who had

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completed four (4) years of approved college teacher training before voluntary or involuntary induction into the military services is entitled to credit for that service as if the member had begun teaching before the induction. A member who serves in military service is considered a teacher and is entitled to the benefits of the fund if for or during the leave of absence the member pays into the fund the member's contributions. Time served by a member in military service for the duration of the hostilities or for the length of active service in the hostilities and the necessary demobilization time after the hostilities is not subject to the one-seventh rule specified in section 5 of this chapter.

(b) This subsection applies to members who retire after June 30, 1980. A member who had completed four (4) years of approved college teacher training before voluntary or involuntary induction into military service is entitled to credit for the member's active military service as if the member had begun teaching before the induction. A member who serves in military service is considered a teacher and is entitled to the benefits of the fund if:

- (1) the member has an honorable discharge; and
- (2) except as provided in subsection (f), the member returns to active teaching service within eighteen (18) months after the completion of active military service.

The time served by a member in military service for the duration of the hostilities or for the length of active service in the hostilities and the necessary demobilization time after the hostilities is not subject to the one-seventh rule specified in section 5 of this chapter. However, not more than six (6) years of military service credit may be granted under this subsection. In order to be eligible for any military service credit under this subsection, a member must have at least ten (10) years of in-state service credit.

(c) This subsection applies to members who retire after May 1, 1989. A member who had begun but had not completed four (4) years of approved college teacher training before voluntary or involuntary induction into the military services is entitled to service credit in an amount equal to the duration of the member's active military service if the following conditions are met:

- (1) The member has an honorable discharge.
- (2) Except as provided in subsection (f), the member returns to a four (4) year approved college teacher training program within eighteen (18) months after the completion of active military service and subsequently completes that program.
- (3) The member has at least ten (10) years of in-state service credit.

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(d) This subsection applies to members who retire after May 1, 1991, and who are employed at state institutions of higher education. A member who had begun but had not completed baccalaureate or post-baccalaureate training before voluntary or involuntary induction into military service is entitled to the member's active military service credit for the member's active military service in an amount equal to the duration of the member's military service if the following conditions are met:

(1) The member received an honorable discharge.

(2) Except as provided in subsection (f), the member returns to baccalaureate or post-baccalaureate training within eighteen (18) months after completion of active military service and subsequently completes that training.

(3) The member has at least ten (10) years of in-state service credit.

(e) The maximum amount of service credit that may be granted to a member who meets the conditions of subsection (c) or (d) is six (6) years. However, for purposes of subsection (c) or (d), the time served by the member in active military service for the length of active service in hostilities and necessary demobilization is not subject to the one-seventh rule specified in section 5 of this chapter.

(f) The board shall extend the eighteen (18) month deadline contained in subsection (b)(2), (c)(2), or (d)(2) if the board determines that an illness, an injury, or a disability related to the member's military service prevented the member from returning to active teaching service or to a teacher training program within eighteen (18) months after the member's discharge from military service. However, the board may not extend the deadline beyond thirty (30) months after the member's discharge.

(g) If a member retires, and the board subsequently determines that the member is entitled to additional service credit due to the extension of a deadline under subsection (f), the board shall recompute the member's benefit. However, the additional service credit may be used only in the computation of benefits to be paid after the date of the board's determination, and the member is not entitled to a recomputation of benefits received before the date of the board's determination.

(h) Notwithstanding any provision of this section, a member is entitled to military service credit and benefits in the amount and to the extent required by the Uniformed Services Employment and Reemployment Rights Act (38 U.S.C. 4301 et seq.), including all later amendments.

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1 (i) Notwithstanding any other provision of this section, a
2 member who:

3 (1) serves on active duty in the military service of the United
4 States for at least six (6) months; and

5 (2) receives an honorable discharge from the military service;
6 is entitled to service credit for the time served on active duty in the
7 military service. However, a member is entitled to service credit
8 under this subsection only to the extent that service credit is not
9 granted for that time under another provision of this section. The
10 maximum amount of service credit that may be granted to a
11 member under this subsection is two (2) years. A member must
12 have at least ten (10) years of creditable service in the fund before
13 the member may claim service credit under this subsection.

14 SECTION 3. [EFFECTIVE JULY 1, 2001] IC 5-10.3-7-5 and
15 IC 21-6.1-4-6.1, both as amended by this act, apply to members of
16 the public employees' retirement fund or the Indiana state
17 teachers' retirement fund who retired before July 1, 2001, and to
18 members of the public employees' retirement fund or the Indiana
19 state teachers' retirement fund who retire after June 30, 2001.
20 However, IC 5-10.3-7-5 and IC 21-6.1-4-6.1, both as amended by
21 this act, apply only to benefits first payable after June 30, 2001.

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